comply with the Directions of RB to RNBCs, RBI has prohibited them from accepting deposits. RBI has also issues similar orders on those RNBCs which had failed to comply with the important provisions of the Direc-rions.

Working of Private Banks

967. SHRI SURESH KALMADI : Will the Minister of FINANCE be pleased to state :

(a) whether it is a fact that private sector banks in the country are facing problems due to lack of transparency and professionalism, small capital sr^e, had supervisory system etc. ; and

(b) if so, whether Government propose to issue fresh norms for the working of private barks ?

THE MINISTER OI STATE IN THE MINISTRY OF IINANCE (SHRI M. V CHANDRASHEKARA MURTHY) : (a) Reserve Bank of India (RPT) has reported that functioning of most of the private sector banks is satisfactory. However, some banks have some operational/supervisory problems. RBI has further reported that the financial . position of most of . the banks in the private sector is good/ satisfactory.

(b) RBI has reported that the guidelines issued by it from time to time and close monitoring of the banks are considered adequate and issuance of fresh norms for the working of the private sector banks is not considered necessary for the present.

Mounting np of inflation

968. SHRI RAM JETHMALANI :
SHRI GURUDAS DAS GUPTA
SHRI CHATURANAN MISHRA :
SHRI CHIMANBHAI MEHTA :
SHRIMATI MIR A DAS:

Will the Minister of FINANCE be pleased to state :

(a) what are the reasons for mounting up of inflation;

(b) whether it is a tact that fiscal indiscipline is the main reason for current inflation spiral;

(c) whether it is a fact that the rate of inflation in 19S1-90 was approximately 7% per annum:

(d) if so, why the rate of inflation rate is more than 50% higher as compared to last decade;

(d) whether Government would bring down the inflation rate as promised by the Government officialf immediately after the announcement of the current budget;

(f) if so, the details thereof; and

(g) if not, the reasons therefore ?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI M. V. CHANDRASHEKARA MURTHY) : (a) and (b) The shortfall in the domestic production of sugar, groundnut, and cotton last year, large increases in minimum support prices cotinuing for the last three years and the consequent rise in the issue price for PDS generated some uptrend early this year. However, of late the effect of relatively larger monetary

•xpansion may have caused some buoyancy in the general price level.

(c) and (d) The average annual Inflation rate based on wholesale **price** index between 1981 to 1990 was 7.2% compared to 9.6% in the preceding decade, *(i.e.* 1970— 80).

(e) to (g) A number of anti-inflationary measures were initiated by the Government to dampen the inflationary pressures. Improved supply ^management in essential commodities has been successfully accomplished by way of open markets sale of foodgrains by FCI, import of nearly one million tonnes of sugar **for PDS.** Edible Oil price has been kept stable through timely imports for PDS. Shortfall in domestic cotton production was made up by permitting duty free import of cotton.

Government is striving to limit the fiscal deficit for 1994-95 to 6% of GDP as against 7.3% (RE) last year.

Merger of New Bank of India with P.N.B.

969. SHRI JAGDISH PRASAD MATHUR : Will the Minister of FINANCE be pleased to state :

(a) whether Governmnt aie aware that after merger of the New Bank of India with the Punjab National Bank certain anomalies have cropped up, such as (i) arbitrary change of gratuity criteria, resulting in financial loss; (ii) arbitrary reduction in the age of retirement of officers; (iii) loss of seniority in many cases ; (iv) reduction of several perks that were available to the erstwhile employees of the New Bank of India; and

(b) if so, what directions are given or would be given so that the employees of the erstwhile New Bank of India are not put to undue harm ?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI M. V. CHANDRASHEKARA MURTHY) : (a) and (b) Punjab National Bank (PNB) has reported that in accordance with the provisions contained in Clause 3(3) and 5, (2) of the New Bank of India (Amalgamation and Transfer of Undertakings) Scheme, 1993, it has, with tbe approval of its Board of Directors, made some changes in the terms and conditions of service of the officers and other employees belonging to Erstwhile New Bank of India (ENBI) on their absorption in PNB for the purpose of maintaining uniformity amongst officers and employees of the bank as a whole. While doing so, certain benefits available to the employees of ENBI could not be protected on their absorption in PNB because similar benefits were not available to the employees of PNB at the relevant time. The Bank has further reported that some employees of ENBI aggrieved by the decision of PNB, have filed petitions in High Courts at different places and as such, the matter is subjudice.

क्षेत्रीय ग्रामीण बैंकों द्वारा ऋण

970. **श्री कनकसिंह मोहनसिंह मंगरोला:** क्या वित्त मंत्री यह बताने की कृपा करेंगें कि :

(क) क्या यह सच है कि क्षेत्रीय ग्रामीण बैंक लघु सड़क परिवहन परिचालकों को शत-प्रतिशत वित्त सहायता दे रहे हैं ;

(ख) यदि हां, तो पिछले दो वर्षों में इस संबंध में लाभान्वित होने वाले परिचालकों की राज्य-वार संख्या कितनी है ; और

(ग) इस सुविधा को प्राप्त करने के बारे में क्या प्रतिक्रिया है ?